

ECONOMIC DEVELOPMENT INDICATORS

Introduction

I. Purpose of Economic Development Indicators

The key outcomes of the Countywide Planning Policies' (CPPs) economic development policies are to:

- Promote Family-Wage Jobs
- Increase Income and Reduce Poverty
- Increase Business Formation, Expansion and Retention
- Create Jobs that Add to King County's Economic Base
- Increase Educational Skills

The purpose of the Economic Development Indicators is to identify trends in King County that support or undermine these outcomes. Over time, the trends established in the Indicators will help the Growth Management Planning Council (GMPC) evaluate the success of the Countywide Planning Policies in achieving their desired outcomes.

The eight Economic Development Indicators cover wages and income, poverty rates, the growth of jobs and new businesses, employment in export industries, high school graduation rates and educational attainment.

II. Key Observations^{*}

The Countywide Planning Policies were adopted in 1994, and most local Comprehensive Plans were adopted in 1994 or later. We are not yet observing the full effects of these planning and policy initiatives. It may be difficult in some cases to isolate the effects of the Countywide Planning Policies from the many factors exerting influence on the Indicators.

Indicator #1 Real wages per worker.

- Real wages per worker rose 24% from 1994 to 1998, after largely stagnating between 1980 and 1994. A slight increase in 1995 was followed by more significant increases from 1996 - 1998, bringing real wages in King County well above their highest level during the past twenty years. During 1998 real wages rose 8.2% over what they were in 1997.

Indicator #2 Personal and median household income: King County compared to the United States.

- King County personal income exceeded the nationwide average income by 41% in 1996 and by 46% in 1997. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased 16%.

Indicator #3 Percentage of population below the poverty level.

- From 1980 to 1990 there was an increase in the percentage of people living in poverty for all ethnic groups, except non-hispanic whites
- The highest rates of poverty are among Native Americans and Blacks, particularly among families with children. One-third of people in these ethnic groups live in poverty. Smaller percentages of Asian and

^{*} See Section V for definitions of terms.

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Hispanic children are below the poverty level. Yet in terms of total numbers, over half of King County's poverty-level children are White.

Indicator #4 **New businesses created.**

- Business growth was particularly strong in 1998 with a 5.1% increase in new businesses. Since 1990, the rate of business growth has varied somewhat, declining in 1995 and rising again in 1996 to 1998. Over the long term, business growth appears fairly steady with a 2.5% average annual growth rate for new businesses from 1990 through 1998.

Indicator #5 **New jobs created, by employment sector.**

- From 1996 to 1998 overall employment opportunity increased substantially with over 105,000 new jobs added in two years. New job creation from 1990 – 1998 was approximately 19%, or an average of 2.2% percent per year.
- In the 1990s Services comprise by far the largest share (59%) of new jobs created. Business Services, which includes the subsector of Computer Software and Services, accounted for 30% of all new jobs in the 1990s.

Indicator #6 **Employment in industries that export from the region.**

- In 1998, the number of jobs in manufacturing was the highest it has been since 1992, and 15% higher than it was in 1980. Currently the manufacturing sector accounts for nearly 30% of King County's jobs in export sectors.
- Business Services is the second highest contributor to the export sector, with 20% of all jobs in the export industries. Business Services include Microsoft and many other high technology firms that do software-related work, and that contribute significantly to export activity. Other professional services, including legal, engineering, and financial services, contribute an additional 22% of jobs in the export sector. Considered together, business, professional and financial services constitute 42% of our export base.
- Because of its strong connections to Asia, the economic crises in Asian countries troubled King County's export sectors. Current projections indicate the region's traditional export employment base in the aerospace industry has peaked and will decline over time. Planned cuts in aerospace employment will be particularly sharp in 1999 and 2000. Therefore, the contribution of other manufacturing industries and of the service sector to basic employment will be critical for the economic health of the region.

Indicator #7 **Educational background of adult population.**

- About 88% of the County's adult population are high school graduates, compared to 77% nationally. Nationwide data continues to show that those who do not complete high school earn only about 42% of what is earned by college graduates. In 1996 males drop-outs earned only 40% of what is earned by males with bachelor's degrees. From 1991 - 1996 the real earnings of males who did not finish high school fell 7.6%, while the real earnings of female dropouts fell 22.3%.
- A full 33% of King County adults have a college degree compared with 21% nationally. Nevertheless, research indicates that we are importing college graduates to meet our labor force needs.

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Indicator #8 **High school graduation rate.**

- The overall graduation rate dropped to 79.7% in 1996, and to 78.8% in 1997 after remaining fairly stable at around 84% from 1988 to 1994. The current rate represents a drop of 6 percentage points in the graduation rate since 1994.
- In the 1991/1992 school year (the most recent for which race/ethnic breakdowns are available), the graduation rate for Asian students was 88.7%; for Black students, 73.7%; for Native American students, 76.6%; for White students, 84%; and for Hispanic students, 74.5%.

III. Discussion

Although each Benchmark Indicator is measured separately, many are interconnected. Factors affecting the Economic Development Indicators will also have effects on the other Indicators in the Benchmark Report. For example, an individual's educational level affects his or her earning potential. A family's earnings affect their ability to find affordable housing, and also affects *where* they find affordable housing. This in turn influences their transportation choices. Sectoral shifts in the economy affect wage levels, and influence the type of education needed to earn a family wage. Housing affordability and the quality of the natural environment affect King County's ability to attract and retain employers; this in turn affects incomes and the health of our local economy.

Wages and Income

The King County economy has shown strong growth during the last four years, and real wages (wage levels after accounting for inflation) have increased 24% during this period. Median household income, measured in real dollars, was stable from 1995 – 1997, but rose 3.5% from 1997 - 1998. This overall average blends high wages in manufacturing, finance, transportation/utilities, and computer services with low wages in retail and non-professional services. Workers in business services (which includes computer software/services) earned an average of \$89,700 in 1998 – more than twice the average annual wage for the County.

Apart from the high wages in business/computer services, the shift in the economy from high-paying jobs in manufacturing to non-professional service jobs may reduce opportunities for wage and income growth, especially for less educated workers. Although real wages are on the rise, there are still many workers whose jobs do not pay a "family wage" as defined by the King County Comprehensive Plan. In 1997, a single wage-earner supporting a household would have needed a job which paid approximately \$17.50 an hour to be earning the basic 1997 "family wage" of \$37,000.

Personal Income

King County has been holding its own as much of the rest of the country has experienced a decline in income in real terms. King County *personal* income exceeded the nationwide average income by 41% in 1996 and 46% in 1997. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased by approximately 16%.

Educational Attainment

Our regional economy is increasingly driven by high-technology. Information technology and biotechnology are growing in importance alongside our traditional high-tech industries such as aerospace and instrument manufacturing. Washington ranks third among states in the number of software jobs, and in the top ten in biotech jobs. A large share of these jobs are located in King County. These rapidly growing "knowledge-based" industries are dependent upon a highly educated and technically skilled workforce.

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According to the 1990 census, King County is a highly educated community in which 88% of the adult population are high school graduates, in contrast to 77% nationally. A full 33% of King County adults have at least a Bachelor's degree, compared with 21% nationally. The proportion of the adult population with a Bachelor's degree or higher nearly doubled between 1970 and 1990. In a 1996 survey of high-technology employers, our region's skilled work force was named more than any other factor as making this a good or excellent place to do business.

This positive news notwithstanding, further improvement in our educational system is critical to the future economic health of individuals and the region. In the same survey cited above, half of employers described our educational system's preparation of K-12 students as fair, and another 28% described it as poor to failing. Not surprisingly, employers rank improvements in K-12 math and science curricula as a top priority for the State. In 1993, voters passed the education reform law ESHB 1209 to raise academic standards, develop better methods for measuring student performance, and increase accountability for results. These state mandated education reforms are to be implemented in Washington's public schools by 2000. This marks the first time the state will have one common set of standards to which all students and teachers will be accountable.

High School Graduation Rates

King County public high school graduation rates were fairly stable at about 84% from 1990 - 1994. However, in 1996 the County's graduation rate fell to 79.7% and in 1997 it fell further to 78.8%. This rate measures only those who drop out during the senior year of high school. With the high school graduation rate falling 6 percentage points from 1994 to 1997, and over 20% of enrolled 12th graders failing to finish school, there is reason to inquire about the ways in which both social and educational systems could better serve our young people.

In the 1991/1992 school year (the most recent for which race/ethnic breakdowns are available), the graduation rate for Asian students was 88.7%; for Black students, 73.7%; for Native American students, 76.6%; for White students, 84%; and for Hispanic students, 74.5%.

More recently, the Seattle School District has reported a 25% dropout rate for its 1995-1996 school year. This represents students from the class of 1995-1996 who dropped out any time during their four years of high school. Dropout rates are considered somewhat imprecise, in part due to problems tracking students who move to other school districts.

The outlook is bleak for King County youth who drop out of high school. As skills and education have become necessary job qualifications, the average earnings of high school dropouts have plunged. Nationwide in 1991, male high school dropouts earned 47% of what males with college degrees earned; by 1995, it had fallen to 39%. Females who drop out of high school face particularly poor prospects. In 1995, female high school dropouts earned only 2/3 of what male high school dropouts earned, and only 45% of what females with 4-year degrees or more earned.

IV. General Information About Indicators and Data Sources

Indicators #1 *Real wages per worker*, #4 *New businesses created*, #5 *New jobs created by employment sector* and #6 *Employment in industries that export from the region* rely on employment reports from the Washington State Employment Security Department on number of businesses, covered employment, and wages and salaries by industry sector. Covered employment is all employment covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act. It comprises about 90% of total employment.

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Indicator #2 *Personal and median household income: King County compared to the United States*, relies on data from the Bureau of Economic Analysis of the U.S. Dept. of Commerce, and from Claritas, Inc. which publishes updates of median income by PMSA.

#3 *Percentage of population below the poverty level* and #7 *Educational background of adult population* rely on decennial Census data. Indicator #8 *High school graduation rate* uses information from the Washington State Superintendent of Public Instruction.

V. Definitions of Terms

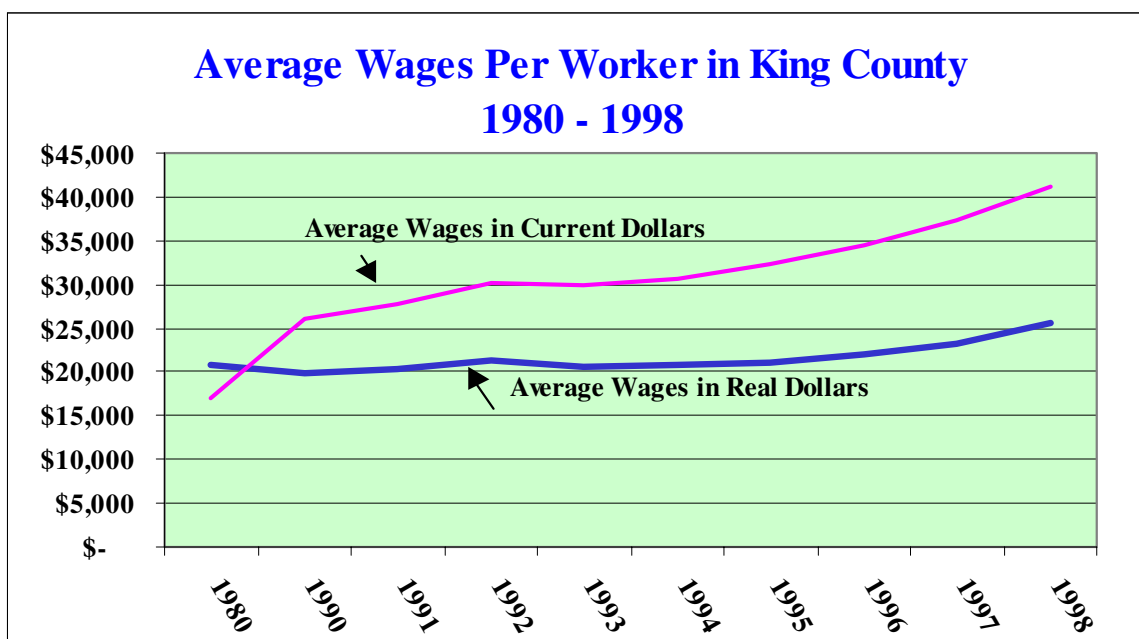
- **Current** or nominal dollars are unadjusted for inflation.
- **Employment** is covered wage and salary employment (jobs covered by state unemployment insurance). Covered employment represents over 90% of all employment.
- **Export or basic sectors** are those which contribute to the economic base by exporting to the rest of the nation and the world. The figures reported reflect all employment in sectors that are basic, not just employment that is directly related to exports.
- **Household Income** includes income of the householder and all other persons 15 and older, whether related to the householder or not. It includes income from all sources, including but not limited to wages and salaries, interest and dividends, rental income, social security payments and public assistance, retirement pensions, disability benefits, unemployment compensation, alimony and child support
- **Median household income** is the income of the “middle” household, when all households are arranged in order by income. Half the households in the county have a higher income, and half a lower income, than the median household.
- **Per capita personal income** is the total county personal income (including wages, benefits, interest, transfer payments, single proprietor incomes and tips) divided by the total county population.
- **Poverty** is defined based on income. Population below the poverty level refers to persons in households whose incomes are below dollar thresholds updated each year by the federal Office of Management and Budget. The dollar thresholds are based on the Agriculture Department’s lowest of three basic food plans, and vary depending on age and family size. In 1980, the threshold was \$7,412 for a family of four. That figure rose to \$12,674 in the 1990 census year, and to \$16,400 for 1997.
- **Real dollars** are dollars adjusted for inflation. The inflation index used is the Consumer Price Index (CPI-Urban) with 1982-1984 = 100.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Promote Family-Wage Jobs.

INDICATOR 1: Real wages per worker.

Average Wages Per Covered Worker in King County										
	1980	1990	1991	1992	1993	1994	1995	1996	1997	1998
Average Wages in Real Dollars	\$20,760	\$19,980	\$20,370	\$21,420	\$20,670	\$20,730	\$21,140	\$21,910	\$23,770	\$25,720
Average Wages in Current Dollars	\$17,110	\$26,110	\$27,750	\$30,050	\$29,870	\$30,720	\$32,210	\$34,370	\$37,300	\$41,275



Definitions:

- Wages shown in the table are per covered worker. Covered workers are all those covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act. They comprise about 90% of total employment.
- The inflation index used is the Consumer Price Index (CPI-Urban) with 1982-1984 = 100. Real dollars are dollars adjusted for inflation using the above index. Nominal or current dollars are unadjusted for inflation.
- The King County Comprehensive Plan defines a **family wage** as a wage which is capable of supporting a family. Jobs which pay more than the average annual wage for King County in a given year are considered family wage jobs. In 1998 this would be a wage over \$41,275 per year.

ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 1:

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Observations:

- Real wages per worker rose 24% from 1994 to 1998, after largely stagnating between 1980 and 1994. A slight increase in 1995 was followed by more significant increases from 1996 - 1998, bringing real wages in King County well above their highest level during the past twenty years. Last year (1997 - 1998) real wages rose 8.2%.
- This overall average blends high wages in manufacturing, finance, transportation/utilities, and computer services with low wages in retail and non-professional services. Workers in business services (which includes computer software/services) earned an average of \$89,700 in 1998 - more than twice the average annual wage for the County.
- Higher real wages in King County in 1995 -1998 were due to (a) increases in jobs in high-paying sectors such as aerospace and computer services, and (b) lower inflation.
- Although real wages are on the rise in King County, there are still many workers whose jobs do not pay a "family wage" by the definition above. A recent study of "livable wage" employment in the Northwest indicated that in King County during 1997 a living wage for a single wage-earner with two children would have been \$17.54 an hour or approximately \$36,600 per year. This is roughly comparable to the "family wage" as defined in the comprehensive plan (\$37,000 in 1997). In 1998 the "family wage" of \$41,300 per year would require an hourly wage of \$19.85.
- Statewide 73% of all jobs pay less than the amount needed by a family of three, and 37% of all jobs pay less than the living wage for a single adult. Comparable statistics on the number of living wage jobs are not available at the county level. However, 42% of the state's jobs are in King County.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). The publication is issued quarterly. This information is also available at www.wa.gov/esd/lmea. *The Northwest Job Gap Study* referred to above was conducted by the University of Washington's Northwest Policy Center and the Northwest Federation of Community Organizations, and was published in January, 1999.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, and ED-12. This measure monitors how workers are faring, and complements the household income measure (Indicator #2).

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Income and Reduce Poverty.

INDICATOR 2: Per capita personal and median household income: King County compared to the United States.

A. Per Capita Personal Income as a Percent of U.S. Per Capita Personal Income									
Year	1980	1990	1991	1992	1993	1994	1995	1996	1997
Percent of US Per Capita Personal Income	130%	132%	135%	138%	134%	135%	138%	141%	146%
King Co. Per Capita Personal Income in Real Dollars	\$15,695	\$18,812	\$19,112	\$19,777	\$19,783	\$20,279	\$21,132	\$21,950	\$23,035
King Co. Per Capita Personal Income in Nominal Dollars	\$12,933	\$24,587	\$26,031	\$27,747	\$28,587	\$30,054	\$32,205	\$34,440	\$36,971

B. Median Household Income as a Percent of the U.S. Median										
Year	1980	1990	1991	1992	1993	1994	1995	1996	1997	1998
Percent of US median household income	117%	121%	132%	128%	126%	127%	126%	125%	122%	na
Seattle-Everett MSA median household income in real dollars	\$25,142	\$27,681	\$29,117	\$27,958	\$27,224	\$27,735	\$28,262	\$28,263	\$28,203	\$29,201
Seattle-Everett MSA median household income in nominal dollars	\$20,717	\$36,179	\$39,658	\$39,225	\$39,338	\$41,104	\$43,071	\$44,344	\$45,266	\$47,656

Definitions:

- Per capita personal income is the total County personal income (including wages, benefits, interest, transfer payments, single proprietor incomes and tips) divided by the total County population. Median household income is the income of the "middle" household, when all households are arranged in order by income. Half the households in the county have a higher income, and half a lower income, than the median household.
- Median household income as reported in the 1970, 1980 and 1990 Census is for King County. Median household income for 1991-1998 is for the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, which since 1993 includes Island County as well as King and Snohomish Counties.
- Household income includes all sources of income and typically includes more than one worker, hence median household income is higher than per capita personal income. However, note that median household income in the PMSA is likely to be slightly lower than in King County alone.
- Nominal dollars are dollars unadjusted for inflation. The inflation index used is the national consumer price index for all urban consumers (CPI-U), 1982-1984=100.

ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 2:

(continued from previous page)

Observations:

- King County personal income exceeded the nationwide average income by 38% in 1995 and by 46% in 1997. For the period from 1980 to the present, the difference between King County personal income and nationwide income has increased by approximately 16%. This measure of personal income includes non-wage income such as dividends and other income from securities. It may reflect considerable local ownership and income from shares in high-performing Northwest companies, such as Microsoft. Employees of these companies often receive stock and stock options as part of their compensation.
- Household income in the region exceeded the nationwide average by 22% in 1997. However, median household income in the Seattle-Bellevue-Everett PMSA has continued to decline as a percent of U.S. median household income, after a high of 132% in 1991.

Data Sources: Table A: *Local Area Personal Income* and *Washington Total Personal Income and Per Capita Personal Income* (by county), Bureau of Economic Analysis, U. S. Department of Commerce. **The personal income data for 1993 - 1997 has been revised and updated from the 1997 Benchmark Report based on figures released by the Bureau of Economic Analysis in April and May, 1998.** Table B: *Decennial Census of Population: Social and Economic Characteristics, Washington* for median household incomes in 1970, 1980 and 1990. Donnelly Marketing Information Services' *Market Profiles Analysis* for median household incomes from 1991-1995. Claritas, Inc. (formerly Strategic Mapping, Inc., formerly Donnelly Marketing) for median household income in 1996 - 1998.

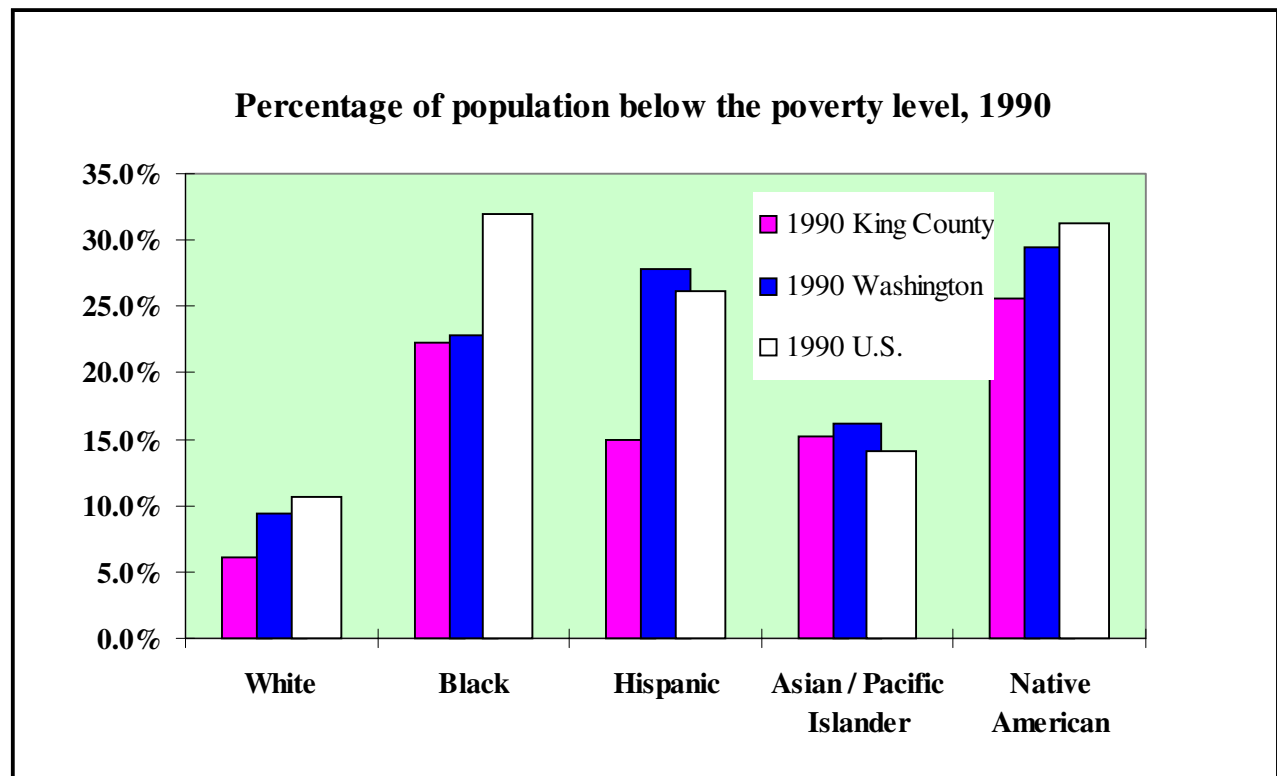
Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, and ED-6. As King County makes progress towards its goal of strengthening the economy, the earnings of King County residents should improve relative to the U. S. as a whole.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Income and Reduce Poverty.

INDICATOR 3: Percentage of population below the poverty level.

Percent and Total Number of Persons Below the Poverty Level, by Race/Ethnic Group						
Race/Ethnic Group:	1980		1990 King County		1990 Washington	1990 U.S.
	Percent	Number	Percent	Number	Percent	Percent
Total	7.7%	95,577	8.0%	117,589	10.9%	13.5%
White	6.5%	71,942	6.1%	76,601	9.4%	10.7%
Black	21.0%	11,250	22.3%	16,149	22.8%	31.9%
Hispanic	13.9%	3,642	14.9%	6,134	27.8%	26.2%
Asian / Pacific Islander	13.2%	8,105	15.2%	17,784	16.2%	14.1%
Native American	20.7%	2,673	25.6%	4,432	29.5%	31.2%



ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 3:

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Definitions:

- *The poverty threshold is based on income. Population below the poverty level refers to persons in households whose incomes are below dollar thresholds updated each year by the Office of Management and Budget. The dollar thresholds are based on the Agriculture Department's lowest of three basic food plans, and vary depending on age and family size. In 1970, the threshold was \$3,721 for a family of four. That figure rose to \$7,412 and to \$12,674 for the 1980 and 1990 census years, respectively. In 1997 it was \$16,400. "NA" means data were not available*

Observations:

- As the *total numbers* in poverty show, most individuals who are below the poverty level are White. However, non-Whites are far more likely to be poor, as the *percentage* figures indicate. In King County, Native Americans and Blacks are four times more likely to be poor than are Whites.
- The highest rates of poverty are among Native Americans and Blacks, particularly among families with children. One third of Native American and Black children live in poverty. Smaller percentages of Asian and Hispanic children are below poverty level. Yet in terms of total numbers, over half of King County's 32,600 poverty-level children are White.
- There was a 23 percent increase in the number of King County residents with incomes below the poverty level between 1980 and 1990. Yet the overall poverty rate in King County in 1990 at 8.0 percent is still considerably lower than the 10.9 percent in the State of Washington and 13.5 percent nationally.
- *1993 Income and Poverty Estimates* from the U.S. Bureau of Census indicate a rise in King County's poverty rate to 9.9% compared to the 8.0% reported in 1990. According to this estimate 12.2% of children in King County are in households below the poverty threshold, compared to 9.3% reported in 1990. This information is based on a limited sample and is not reported in the table above. No further data will be available until after the decennial census in 2000.

Data Source: *Decennial Census of Population: Social and Economic Characteristics, Washington, 1990. Statistical Abstract of the United States, 1995, U.S. Department of Commerce. County Income and Poverty Estimates for Washington: 1993. Poverty Thresholds, 1997. U.S. Census Bureau.*

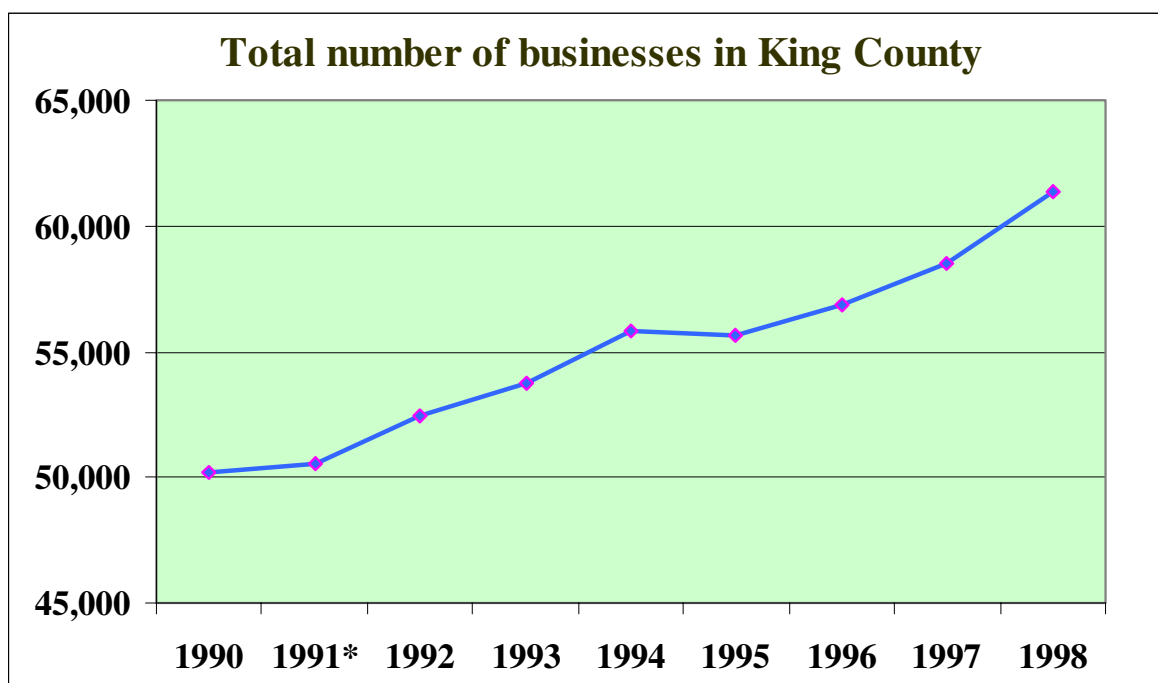
Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-34, FW-36, ED-1, ED-12, and ED-13. This Indicator measures the success of King County's efforts to increase the skills and employability of those in poverty and to add them to the work force in jobs that provide wages which support families.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Business Formation, Expansion and Retention.

INDICATOR 4: New businesses created.

New Businesses Created, King County									
	1990	1991*	1992	1993	1994	1995	1996	1997	1998
Total number of businesses	50,204	50,501	52,486	53,748	55,813	55,638	56,887	58,485	61,381
Number of net new businesses	2,951	297	1,985	1,262	2,065	-175	1,249	1,598	2,896
Annual growth rate	6.2%	0.6%	3.9%	2.4%	3.8%	-0.3%	2.2%	2.9%	5.1%
*The reduced rate of growth between 1990 and 1991 may be due partly to an accounting change in the way businesses and jobs are counted.									



Definitions:

- The figures presented above are net figures which account for business closures.
- The annual growth rate is the number of new businesses as a percentage of the previous year's total establishments.
- Businesses shown are employer units (firms, agencies and individuals) whose employees are covered by the Washington State Employment Security Act and Federal government agencies or departments covered by Title 5, U.S.C. 85. All firms regardless of size are included. These firms account for approximately 90% of all employment.

ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 4:

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- *Excluded from this analysis are:*
 - *sole proprietorships or partnerships with no employees*
 - *private households as employer units. There has been a significant growth of this group due to 1) an increased awareness of reporting requirements for domestic workers, and to 2) several federal programs which help households to pay for home health or “chore services” for sick or disabled persons. However, many of these “employer units” offer employment for only a short period of time, e.g. for several weeks or months while an individual is recovering, so they are not comparable to long-term employer units.*

Observations:

- In the late 1980s, new businesses were formed at a rate of almost five percent per year. Since 1990, the rate has varied somewhat, declining in 1995 and rising again in 1996 to 1998. Business growth was particularly strong in 1998 with a 5.1% increase in new business. Over the long term, business growth appears fairly steady.
- King County’s average annual growth rate for new businesses from 1990 through 1998 is 2.5%.
- This measure captures business vitality, optimism, entrepreneurial activity, business climate and innovation. As the business climate improves, economic vitality also improves and the numbers in this Indicator increase.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD).

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. Small business growth has been characterized as the basis of a healthy economy.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Business Formation, Expansion and Retention.

INDICATOR 5: New jobs created, by employment sector.

Yearly Change in Number of Jobs, Overall and By Sector											
Sector	Job Growth 1980 - 1990	Percent Growth 1980 - 1990	1992	1993	1994	1995	1996	1997	1998	Job Growth 1990 - 1998	Percent Growth 1990 - 1998
Agriculture/ Forestry Fishing/ Mining	5,102	115%	-369	-744	-210	-206	138	519	712	321	3%
Construction	14,451	43%	298	-2,414	-606	-27	1,655	4,394	4,672	5,769	12%
All Manufacturing	32,150	23%	-4,707	-12,090	-9,445	-3,996	4,279	13,360	6,192	-11,788	-7%
Transportation Equipment	20,270	27%	-4,899	-13,006	-10,224	-6,499	1,751	10,263	4,851	-19,544	-21%
Other Mfg.	11,856	18%	192	916	779	2,503	2,528	3,097	1,341	7,756	10%
Transportation/ Public Util.	16,078	36%	819	-710	1,628	2,233	2,833	2,783	2,901	12,016	20%
Wholesale Trade	16,335	32%	759	-186	1,741	3,120	1,428	2,043	2,722	11,519	17%
Retail Trade	41,252	36%	48	1,469	4,006	5,164	5,698	4,926	7,765	26,662	17%
Finance, Ins. & Real Est.	13,142	25%	287	666	636	-2,014	531	1,571	4,321	4,446	7%
All Services	98,523	76%	6,782	13,343	6,791	12,144	19,715	21,656	18,815	100,968	44%
Business Services (including Software)*	25,457	86%	1,772	5,807	5,166	7,446	12,890	12,329	7,779	51,347	93%
All Other Services	73,066	73%	5,010	7,536	1,625	4,698	6,825	9,327	11,036	49,621	29%
Government	22,080	23%	4,195	1,940	865	2,318	2,471	2,854	2,826	21,697	19%
Overall Net Change in Jobs	259,089	39%	8,112	1,274	5,406	18,736	38,748	54,106	50,926	171,610	19%
*Currently about 30% of jobs in this sector are in the computer software/services industry.											

An accounting change by the federal government caused an artificial decline in employment between 1990 and 1991 throughout the U.S., including about 6,000 jobs in King County. For that reason, figures for 1991 are not included here.

Definitions:

- Employment figures are for covered workers. Covered workers are all those covered by unemployment insurance and worker's compensation programs under the Washington State Employment Security Act or Title 5, U.S.C. 85. They comprise about 90% of total employment.
- In this classification scheme, a sub-category of business services is the computer software and services industry.

ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 5: *(continued from previous page)*

Observations:

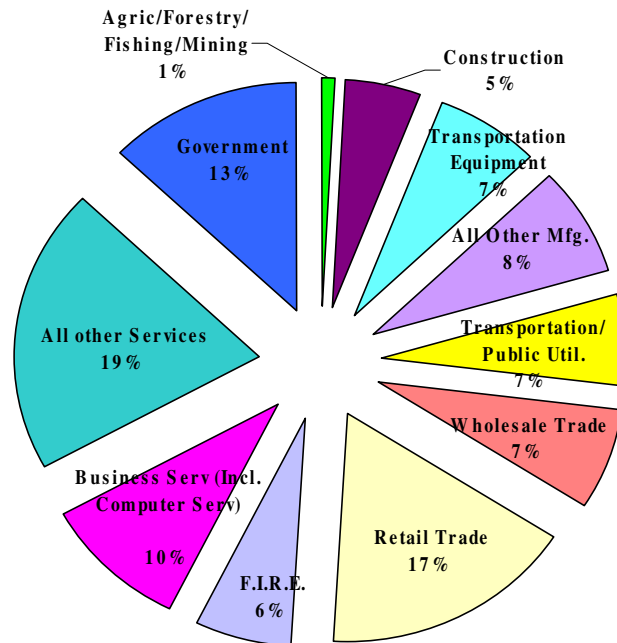
- From 1996 to 1998 overall employment opportunity increased substantially with over 105,000 new jobs added in two years.
- From 1990 to 1998, new job creation was approximately 19%, or an average of 2.2% percent per year.
- Job growth since 1990 has focused more narrowly than the broad growth characteristic of the second half of the 1980s. During that five year period there was a 30% increase in jobs, of which nearly a third were in the Services sector, and the rest were widely distributed across all other sectors.
- In the 1990s Services comprise by far the largest share (59%) of new jobs created. Business Services, which includes the subsector of Computer Software and Services, accounted for 30% of all new jobs in the 1990s.
- Retail Trade, Government, Transportation/Public Utilities, and Wholesale Trade contributed the next largest shares of the new jobs, although they are well below the growth in the Service sector.
- Business Services employed nearly 10% of all workers in King County in 1998. 3% of all County workers were employed in the subsector of computer software and services. In comparison, the sector which includes aerospace manufacturing employed about 6.8% of all King County workers in 1998.
- Job losses in the 1990s have been primarily in the Transportation Equipment Manufacturing sector. The Agriculture/Forestry/Fishing/Mining and Transportation Equipment Manufacturing sectors experienced job losses annually from 1992 to 1995, and Construction experienced job losses from 1993 to 1995. However, all three of these sectors had job gains from 1996 to 1998.
- Overall, job losses since 1990 have been more than offset by the 101,000 new jobs created in the Services sector from 1990 to 1998.
- In 1998 overall job growth continued at a slightly slower rate than in 1997. However, job growth in the Financial, Insurance and Real Estate Sector and in Retail Trade was considerably higher than in 1997. Additional planned job cuts in the aerospace industry during 1999 will accelerate the downward trend in that sector. The recent economic crises in Asian countries slowed the demand for Northwest exports - agricultural, lumber, and fishing products, as well as aircraft. In other sectors, King County's moderate growth should continue, particularly in services, computer software and services, and retail trade.

Data Source: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD).

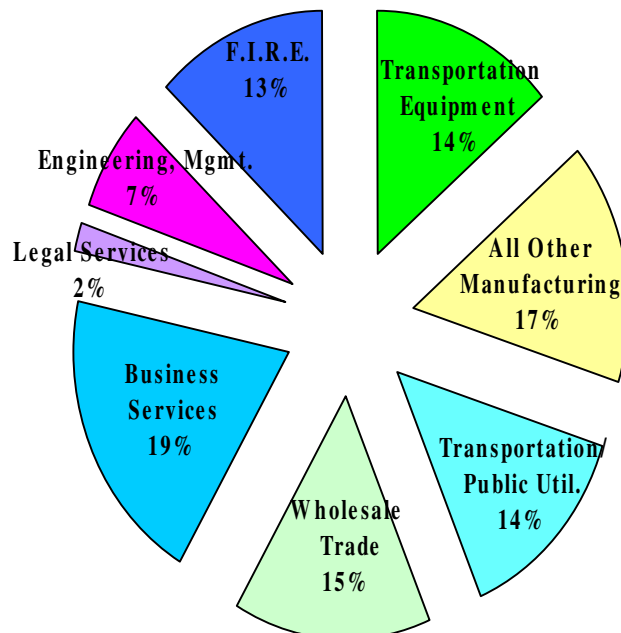
Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-6, ED-8 and ED-9. This Indicator helps evaluate one of the bases of a healthy economy.

ECONOMIC DEVELOPMENT INDICATORS

King County Employment by Sector in 1998



1998 King County Employment in Sectors that Export



ECONOMIC DEVELOPMENT INDICATORS

Outcome: Create Jobs that Add to King County's Economic Base.

INDICATOR 6: Employment in industries that export from the region.

Average Monthly Employment in King County Export Sectors, by Year									
Sector								Sector's Share of Export and Total Jobs in County, 1998	
	1980	1990	1992	1994	1996	1997	1998	Export	Total
Manufacturing:	139,324	171,450	161,362	139,827	140,110	153,470	159,662	29.9%	14.6%
<i>Transportation Equipment</i>	73,800	94,015	87,335	64,105	59,357	69,620	74,471	14.0%	6.8%
<i>All Other Manufacturing</i>	65,500	77,435	74,027	75,722	80,753	83,850	85,191	16.0%	7.8%
Transportation/Public Util.	44,416	60,494	60,842	61,760	66,826	69,609	72,510	13.6%	6.6%
Wholesale Trade	51,270	67,605	68,256	69,811	74,359	76,402	79,124	14.8%	7.2%
Services:									
<i>Business Services</i>	29,673	55,130	55,060	66,033	86,369	98,698	106,477	20.0%	9.7%
<i>Legal Services</i>	5,045	10,239	9,761	9,811	9,747	9,907	10,095	1.9%	0.9%
<i>Engineering, Mgmt.</i>	NA	25,768	25,967	27,433	29,766	31,502	35,380	6.6%	3.2%
Finance, Ins. & Real Estate	52,673	65,815	64,550	65,852	64,369	65,940	70,261	13.2%	6.4%
Total Jobs in Export Sectors	322,377	456,501	445,798	440,527	471,546	505,528	533,509	100.0%	48.7%

Definitions:

- Export or basic** sectors are those which contribute to the economic base by exporting to the rest of the nation and the world. This analysis defines export sectors as those sectors with Location Quotients greater than 0.3 for manufacturing sectors, greater than 0.9 for professional/financial services, and greater than 1.2 for sectors other than manufacturing and professional services. Location quotients are ratios which measure the County's economy to identify which industry sectors contribute to the economic base through exports. The formula for Location Quotients is:

$$\frac{\text{Total workers in a particular sector in King County} / \text{Total employment in King County}}{\text{Total workers in a particular sector in the U.S.} / \text{Total employment in the U.S.}}$$

- The higher a King County sector's Location Quotient is, the more it exports to the rest of the nation and the world.
- In this classification scheme, business services includes the computer software and services industry.
- The figures shown reflect all employment in sectors that export; however, not all employment in these sectors is directly related to exports.

ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 6:

(continued from previous page)

Observations:

- Because of its strong connections to Asia, the economic crises in Asian countries troubled King County's export sectors. Current projections indicate the region's traditional export employment base in the aerospace industry has peaked and will decline over time. Planned cuts in employment will be particularly sharp in 1999 and 2000. Therefore, the contribution of other manufacturing industries and of the service sector to basic employment will be critical for the economic health of the region.
- Significant amounts of export activity are not represented in the table; the table shows the key export sectors, but sectors other than those shown also export and thereby bring dollars into our economy. The Services sector as a whole is not considered an export sector (see *Definitions* above), however the three itemized sub-sectors of the service sector, are considered basic because of their propensity to export.
- The number of jobs in manufacturing is the highest it has been since 1992, and the manufacturing sectors still account for nearly 30% of King County's jobs in export sectors.
- Business Services is the second highest contributor to the export sector, with 20% of all jobs in the export industries. Another 22% of jobs in the export sector are in legal, engineering/management, and financial services. Computer software and services, a subsector of Business Services, employs about 3% of all workers in King County and contributes significantly to export activity.
- Although agriculture, fishing, and timber are relatively minor employers in this County, they are significant export industries in the larger Puget Sound region and throughout Washington State. Because of their regional importance, they impact the overall economy of King County. Exports from Washington State to Asia were down 6% in 1998. When aircraft sales are excluded, all other exports fell 33% in 1998. It is expected that 1999 will see more severe drops in export sector employment before a rebound can be expected.

Data Sources: *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD). The annual *Statistical Abstract of the United States* provides data on total national employment and national employment levels by industry sector.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-36, ED-1, ED-3, and ED-6a and ED-9. The export base of the economy brings income into the region by selling to customers outside of the region and is the driving force of the economy.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Educational Skill Levels.

INDICATOR 7: Educational background of adult population.

Educational Background of Adult Population in King County			
Percent of population over 25 with:	1970	1980	1990
High School Diploma or Higher	69%	83%	88%
Some college (includes A.A. degree)	16%	23%	32%
Bachelor's Degree or higher	17%	26%	33%

Definitions:

- *High school diploma figures include GED (General Educational Development) certificate holders. "A.A." refers to Associate of Arts degree. "Some college, includes A.A. degree" includes all who completed one to three years of college.*

Observations:

- In 1990 a far higher proportion of the population held both high school and higher education qualifications than in 1970. King County is a highly educated community in which 88% of the adult population are high school graduates, in contrast to 77% nationally.
- One third of King County adults (over age 25) have a college degree, compared to 21% for the U.S. as a whole. An additional 32% have attended some college, but did not obtain a four year degree. 23% of King County adults have a high school diploma with no further education, and 12% do not have a high school diploma or equivalency degree.

The following observations are based on data for the nation as a whole, not specifically for King County.

- Educational level is a predictor of future income. In 1996, adults in the U.S. with only a high school education earned roughly half of what those with a Bachelor's degree or more earned. Those who dropped out of high school earned about 42% of the earnings of those with a college degree.
- For men, incomes are increasing for those with Bachelor's degrees or more, and falling or stagnating for those less educated. Nationwide, the average earnings of men with Bachelor's degrees grew 8.0% in real terms from 1991 to 1996. During the same period, the real earnings of men with only a high school education remained exactly the same, and the earnings of male high school dropouts fell 7.6%.
- Between 1991 and 1996 women's average earnings in real terms rose 8.3% for those with a Bachelor's degree. The average earnings for female high school dropouts working full-time, year-round fell 22.3% in real dollars, and for female high school graduates real earnings dropped 25.6%.
- As women reach higher educational levels, their average earnings compared to men at the same educational level actually decline. In 1996, female high school dropouts working full-time, year-round, earned 68% of what male high school dropouts earned. Women with Bachelor's degrees earned only 65% of what men with Bachelor's degrees earned.

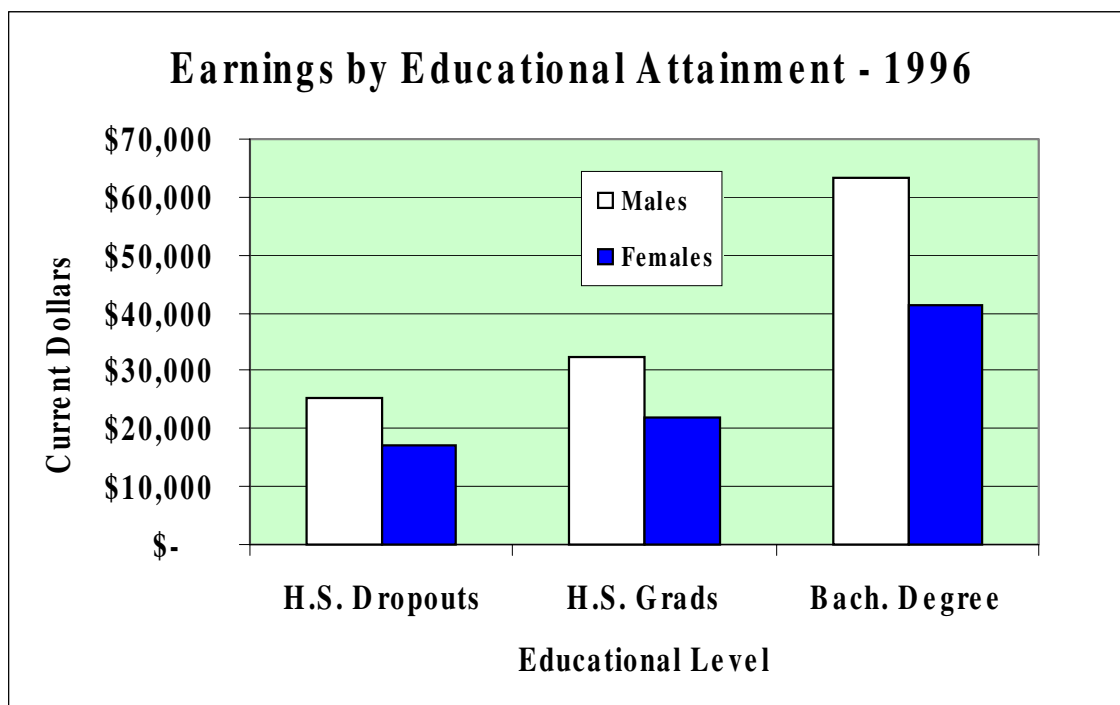
ECONOMIC DEVELOPMENT INDICATORS

INDICATOR 7:

(continued from previous page)

Average Earnings of Year-Round Full-Time Workers in the U.S. by Educational Attainment 1991 and 1996							
		1991			1996		
		H.S. Dropouts	H.S. Grads	Bach. Degree	H.S. Dropouts	H.S. Grads	Bach. Degree
Male	Current \$	\$ 23,765	\$ 28,230	\$ 50,747	\$ 25,283	\$ 32,521	\$ 63,127
	Real \$*	\$ 17,449	\$ 20,727	\$ 37,259	16,114	20,727	40,234
Female	Current \$	\$ 19,336	\$ 25,554	\$ 33,144	\$ 17,313	\$ 21,893	\$ 41,339
	Real \$*	\$ 14,197	\$ 18,762	\$ 24,335	11,034	13,953	26,347

* Based on '82-'84 = 100



Data Source: Decennial *Census of Population: Social and Economic Characteristics*, Washington. For observations about earnings, *1995 Statistical Abstract of the United States* and *1998 Statistical Abstract of the United States*.

Policy Rationale: The policy rationale stems from *Countywide Planning Policies* FW-31, ED-1 and ED-13. King County must have a work force that is very well educated. Education and training are critical to develop and maintain a highly skilled and well paid workforce.

ECONOMIC DEVELOPMENT INDICATORS

Outcome: Increase Educational Skill Levels.

INDICATOR 8: High school graduation rate.

King County High School Graduation Rates by Race/Ethnic Group*									
Year	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Total	84.4%	84.3%	84.0%	83.3%	NA	84.8%	83.2%	79.7%	78.8%
Black	79.9%	82.6%	77.2%	73.7%	NA	NA	NA	NA	NA
Asian	89.4%	88.7%	88.8%	88.7%	NA	NA	NA	NA	NA
Hispanic	77.8%	78.3%	78.8%	74.5%	NA	NA	NA	NA	NA
Indian	73.2%	70.2%	76.6%	67.6%	NA	NA	NA	NA	NA
White	84.4%	84.3%	84.0%	83.7%	NA	NA	NA	NA	NA

Definitions:

- Graduation rates are for students in public school districts in King County. The graduation rate is the percent of students who graduate out of the number of students enrolled in 12th grade in October of the school year.
- Ethnic designations shown are those used by the Office of the Superintendent of Public Instruction. Data are not available for 1993, and are not available by ethnic group for 1994 - 97.

Observations:

- After remaining fairly stable from 1988 – 1994, graduation rates in King County school districts dropped 6 percentage points between 1994 and 1997.
- Opportunities are especially bleak for King County youth who drop out of high school. The job pool for uneducated, unskilled workers is shrinking, and pay for these jobs is low. Earnings for male high school dropouts fell almost 8% in real terms from 1991-1996. Nationwide in 1996, male high school dropouts earned only 40% of what men with Bachelor's degrees or more earned. Female high school dropouts earned only 42% of what women with Bachelor's degrees or more earned.
- This Indicator was originally titled 'Percentage of 9th graders who go on to obtain a high school diploma'. The Washington State Office of the Superintendent of Public Instruction (OSPI) now requires school districts to track each student's progress from the 9th through the 12th grades. The new measure is intended to account for students who move or transfer between districts, or leave and return to school. However, in 1998, data collected by OSPI for this purpose was considered too unreliable to be published.
- Approximately 12.5% of all enrolled students in King County attend private schools. They are not considered in this indicator. Minority students represent 20.2% of those enrolled in private schools and 29.8% of those enrolled in public schools in King County.
- In the U.S., the graduation rate is 72%. An international study released in 1998 by the Organization for Economic Cooperation and Development ranked the U. S. second from the bottom among 29 industrialized countries based on its graduation rate.

Data Source: Office of the Superintendent of Public Instruction, Olympia. *1995 and 1997 Statistical Abstract of the United States.*

Policy Rationale: The rationale stems from Countywide Planning Policies FW-34, ED-1 and ED-13.



Metropolitan King County *Countywide Planning Policies* Benchmark Program

ECONOMIC DEVELOPMENT INDICATORS